

**Introduced by Senator Wolk**

February 19, 2010

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An act to add Part 8 (commencing with Section 38600) to Division 25.5 of the Health and Safety Code, relating to greenhouse gas emissions.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1241, as introduced, Wolk. Greenhouse gas emissions reduction: agriculture: grant program.

Existing law sets forth various powers and duties of the Secretary of Food and Agriculture and the Department of Food and Agriculture. Existing law, the Cannella Environmental Farming Act of 1995, requires the department to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat, and requires the secretary to convene a Scientific Advisory Panel on Environmental Farming for the purpose of providing advice and assistance to federal, state, and local government agencies on issues relating to air, water, and wildlife habitat.

This bill would require the secretary to administer an unspecified percentage of certain funds, which are subject to appropriation by the Legislature, in consultation with the California Agricultural Climate Benefits Advisory Committee, which the bill would require the secretary to establish, as specified, to be used for costs of administration or grants, as provided, to reduce greenhouse gas emissions in the state's agricultural sector.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) The Legislature finds and declares all of the  
2 following:

3     (1) California agriculture is a \$37 billion per year industry, one  
4 of the state's largest and most significant industries. California  
5 agriculture supplies 90 percent of the nation's almonds, apricots,  
6 raisins, olives, pistachios, walnuts, and wine grapes, and more than  
7 one-half of the country's fruit and vegetables.

8     (2) Dependent on land and natural resources, California  
9 agriculture is uniquely vulnerable to global warming. Global  
10 warming poses a serious threat to California agriculture with rising  
11 temperatures, increases in extreme weather events, reduced winter  
12 chilling hours, drier conditions, and rising sea levels.

13     (3) California agriculture is also uniquely positioned to provide  
14 climate benefits by reducing greenhouse gas emissions. Research  
15 funded by the California Energy Commission's Public Interest  
16 Energy Research (PIER) program suggests that some agricultural  
17 practices will not only reduce greenhouse gas emissions, but they  
18 may also help to sequester atmospheric carbon in the soil.  
19 Atmospheric carbon sequestration is an important strategy to help  
20 meet the state's greenhouse gas emissions targets.

21     (4) Steps taken by California agriculture to reduce greenhouse  
22 gas emissions and sequester atmospheric carbon can provide other  
23 important environmental cobenefits, such as improved air and  
24 water quality, water conservation, and enhanced wildlife habitat.

25     (b) It is therefore the intent of the Legislature to enhance the  
26 long-term viability of California agriculture by supporting activities  
27 that reduce global warming impacts that may negatively impact it  
28 and the rest of the state.

29     (c) It is further the intent of the Legislature that the Department  
30 of Food and Agriculture, pursuant to this act, support California  
31 agriculture in pursuing voluntary reductions in greenhouse gas  
32 emissions and atmospheric carbon sequestration.

33     SEC. 2. Part 8 (commencing with Section 38600) is added to  
34 Division 25.5 of the Health and Safety Code, to read:

1 PART 8. GREENHOUSE GAS EMISSIONS REDUCTION

2  
3 38600. The purpose of this part is to ensure that California  
4 maximizes its opportunities to achieve voluntary greenhouse gas  
5 emission reductions in the state's agricultural sector while also  
6 achieving environmental cobenefits.

7 38601. Notwithstanding any other law, not less than \_\_\_\_\_  
8 percent of funds generated pursuant to either of the following shall  
9 be made available, upon appropriation by the Legislature, to fund  
10 activities consistent with this part that will reduce greenhouse gas  
11 emissions in the state's agricultural sector:

12 (a) Revenues generated by fees imposed pursuant to compliance  
13 mechanisms adopted by the State Air Resources Board and paid  
14 by the sources of greenhouse gas emissions regulated pursuant to  
15 this division.

16 (b) Funds from federal climate change programs that are  
17 dedicated to or otherwise accrue to the state for climate change  
18 projects and programs that are consistent with the purposes of this  
19 part.

20 38602. Funds made available pursuant to Section 38601 shall  
21 be administered by the secretary, in consultation with the advisory  
22 committee established pursuant to Section 38603, and may be used  
23 for either of the following:

24 (a) The cost of administering this part.

25 (b) Grants for any of the following:

26 (1) Research and demonstration projects that reduce greenhouse  
27 gas emissions or sequester atmospheric carbon through agricultural  
28 technologies, practices, or farming systems and provide  
29 environmental cobenefits, including, but not limited to, water  
30 conservation, improved air or water quality, increased soil organic  
31 matter, and enhanced wildlife habitat. Eligible recipients may  
32 include California producers, California institutions of higher  
33 education, state or local agencies, and nonprofit organizations.

34 (2) Technical assistance, which shall include, but not be limited  
35 to, development of outreach and training programs to assist  
36 agricultural producers in adopting agricultural technologies,  
37 practices, or farming systems that reduce greenhouse gas emissions  
38 or sequester atmospheric carbon and provide environmental  
39 cobenefits, including, but not limited to, water conservation,  
40 improved air or water quality, increased soil organic matter, and

1 enhanced wildlife habitat. Eligible recipients may include  
2 California institutions of higher education, state or local agencies,  
3 and nonprofit organizations with a demonstrated capacity to deliver  
4 technical assistance to California agricultural producers.

5 (3) Financial incentives for California agricultural producers to  
6 do any of the following:

7 (A) Generate greenhouse gas emission reductions that may not  
8 be economically viable as an offset project.

9 (B) Demonstrate and test new or uncertain methods to reduce  
10 greenhouse gas emissions or sequester atmospheric carbon.

11 (C) Be an early adopter of agricultural technologies, practices,  
12 or farming systems that reduce greenhouse gas emissions or  
13 sequester atmospheric carbon.

14 (c) Grant funds shall be divided equally across all three grant  
15 categories, as described in subdivision (b), unless the secretary  
16 determines, in consultation with the advisory committee established  
17 pursuant to Section 38603, that a different apportionment of funds  
18 would best serve the purposes of this part.

19 38603. (a) Not later than July 1, 2011, the secretary shall  
20 establish the California Agricultural Climate Benefits Advisory  
21 Committee to achieve the purposes of this part. The secretary shall  
22 appoint its members as follows:

23 (1) Five members who are agricultural producers, including at  
24 least two certified organic producers.

25 (2) Three members who are researchers with an institution of  
26 higher education with expertise in agriculture and climate change.

27 (3) Three members from nonprofit organizations with expertise  
28 in climate change and agriculture.

29 (4) One ex officio member from each of the following public  
30 agencies:

31 (A) Department of Conservation.

32 (B) State Air Resources Board.

33 (C) United States Department of Agriculture, Natural Resources  
34 Conservation Service.

35 (D) United States Environmental Protection Agency, Region  
36 IX.

37 (b) Each advisory committee member shall designate his or her  
38 alternate, who shall meet the same qualifications identified in  
39 subdivision (a) as the member for whom the alternate is serving.

40 An alternate member shall serve at an advisory committee meeting

1 only in the absence of, and shall have the same powers and duties  
2 as, the member for whom he or she is designated as an alternate,  
3 except for duties and powers as an officer of the committee. The  
4 number of alternates present who are not serving in the capacity  
5 of a member shall not be considered in determining a quorum.

6 (c) An alternate member may serve at an advisory committee  
7 subcommittee meeting only in the absence of, and shall have the  
8 same powers and duties as, the member for whom he or she is  
9 designated as an alternate, except for duties and powers as a  
10 subcommittee chairperson.

11 (d) The members and alternates of the advisory committee shall  
12 serve without compensation but shall be reimbursed for the  
13 reasonable expenses actually incurred in the performance of their  
14 duties, as determined by the advisory committee and approved by  
15 the secretary.

16 (e) The secretary shall appoint the members of the committee  
17 from nominations by interested persons and organizations with  
18 expertise in agriculture and climate change. The secretary shall  
19 make all feasible efforts to appoint members of the advisory  
20 committee who reflect a range of views from agricultural, scientific,  
21 environmental protection, and resource conservation interests that  
22 will enhance the successful implementation of this part.

23 (f) A member of the committee shall serve for a term of three  
24 years, except that the secretary shall appoint the original members  
25 of the committee for staggered terms as follows:

26 (1) One member appointed pursuant to paragraphs (1), (2), and  
27 (3) of subdivision (a) shall serve for one year.

28 (2) Two members appointed pursuant to paragraph (1), and one  
29 member appointed pursuant to paragraphs (2) and (3), of  
30 subdivision (a) shall serve for two years.

31 (3) Two members appointed pursuant to paragraph (1), and one  
32 member appointed pursuant to paragraphs (2) and (3), of  
33 subdivision (a) shall serve for three years.

34 (g) In administering grant funds pursuant to Section 38602, the  
35 secretary shall seek and consider input from the advisory committee  
36 on matters related to the purposes of this part, including, but not  
37 limited to, all of the following:

38 (1) Establishing criteria for grant proposals.

39 (2) Reviewing grant proposals.

40 (3) Recommendations regarding the approval of grant proposals.

1 (4) Recommendations regarding the implementation of this part.  
2 (h) Advisory committee members shall recuse themselves from  
3 reviewing grant proposals from any grant category in which either  
4 of the following conditions are met:

5 (1) For a member appointed pursuant to paragraph (1) or (3) of  
6 subdivision (a), if a person from the same private business or  
7 nonprofit organization as the member has applied for a grant  
8 pursuant to this part and would directly benefit from the grant  
9 funding.

10 (2) For a member appointed pursuant to paragraph (2) of  
11 subdivision (a), if a person from the same department or field  
12 station as the member has applied for a grant pursuant to this part  
13 and would directly benefit from the grant funding.

14 (i) Advisory committee members shall not be required to recuse  
15 themselves from reviewing grant proposals in any grant category  
16 for which the conditions of subdivision (h) have not been met.

17 (j) The secretary shall designate department staff to provide  
18 appropriate staff services to the advisory committee.

19 38604. In establishing criteria for grant proposals and awarding  
20 grants, the advisory committee and the secretary shall do all of the  
21 following:

22 (a) Give priority to proposals for research and demonstration  
23 projects, pursuant to paragraph (1) of subdivision (b) of Section  
24 38602, that include multiple coapplicants and that include at least  
25 one agricultural producer in the development and implementation  
26 of the project.

27 (b) Consider the appropriate use of matching funds requirements  
28 for research and demonstration projects and technical assistance  
29 projects, pursuant to paragraphs (1) and (2) of subdivision (b) of  
30 Section 38602, provided that matching funds requirements not  
31 exceed 25 percent of the total award by the state.